

INFORMATION ITEM

Delta Levees Investment Strategy Implementation Update

Summary: Council and California Department of Water Resources (DWR) staff will provide an update on the implementation of the Delta Levees Investment Strategy Memorandum of Understanding (MOU).

Background

The Delta Reform Act requires that:

1. The Delta Plan attempt to reduce risks to people, property, and State interests in the Delta by promoting effective emergency preparedness, appropriate land uses, and strategic levee investments (Water Code section 85305(a)); and
2. The Council, in consultation with the Central Valley Flood Protection Board, shall recommend priorities for State investment in levee operations, maintenance, and improvements in the Delta, including both levees that are a part of the State Plan of Flood Control and nonproject levees (Water Code section 85306).

The Delta Plan's recommended actions for the prioritization of State interests in the Delta (Risk Reduction Recommendation 4) call for updating the 2013 Delta Plan's interim priorities for State investment in Delta levees. In response, the Council, its staff, and the Arcadis consulting team began developing the Delta Levees Investment Strategy (DLIS) and a corresponding amendment to the Delta Plan. In addition to the extensive public outreach conducted during project development, extensive collaboration between the Council, the Central Valley Flood Protection Board (Flood Board), and DWR also occurred. The scope of these interactions included a joint Flood Board-Council public meeting in August 2016, as well as a number of regularly occurring meetings where a subset of Council members, Flood Board members, and DWR executives met to discuss DLIS development.

The DLIS amendment project description was approved by the Council at its March 2017 Council meeting for evaluation through the California Environmental Quality Act (CEQA) process. The public comment period on the draft Final Programmatic Environmental Impact Report (PEIR) closed in February 2018 and the Council will consider adopting final CEQA findings at the April 2018 Council Meeting.

State Investments in Delta Levees MOU

Water Code Section 85306 directs the Council, in consultation with the Flood Board, to recommend priorities for State investments in Delta levees. To carry out this charge, and in consideration of the future implementation of the draft DLIS amendment, the

Council, DWR and the Flood Board signed an MOU in September 2017. Council staff believe that the MOU, and assigned workgroup from the three agencies charged with its implementation, recognizes the shared interest and overlapping jurisdictions of the three agencies on Delta levee investments.

At the direction of executive staff from the three agencies, the workgroup, which has been meeting weekly since November 2017, have focused on three near-term priorities, as follows:

1) Prioritization

DWR issues a proposal solicitation package (PSP) for its Delta Special Projects Program as funding permits. Recent solicitations have focused on multi-benefit projects that simultaneously improve the environment, flood management, and water supply reliability. Proposed projects are evaluated on their responsiveness to the PSP's stated objectives.

As DWR develops future solicitations, tangible consideration of the Council's DLIS prioritization is essential.

To that end, the workgroup has discussed a number of ways in which this could occur. The workgroup currently is considering the concept of allocating a certain amount of (yet to be defined) points to a project based on the project's ranking in the DLIS prioritization. Under such a scenario, a project located in the *very high* or *high* prioritization tiers would be eligible to receive credit in the scoring process. While projects located in the *other* tier may not automatically receive such credit in the scoring process, they would have an opportunity to compete for such points, by stating their reasoning during the grant application process. In this instance, the grant evaluation team, which could include staff from the Council, would ultimately determine the appropriate scoring level for projects located in the *other* tier.

2) Reporting and Tracking

A primary objective of the DLIS is to improve communication and transparency about how the State funds levee improvements in the Delta.

With that in mind, the agencies that comprise the workgroup will continue to work collaboratively to ensure that such decisions are communicated in a public forum. This could include DWR appearing before the Council at a regular interval (at least annually) to discuss a variety of activities including:

- Status updates and presentation briefings regarding agency activities;
- Levee investment information: (a) its location, (b) the priority (currently in draft) recommended in the draft Delta Plan amendment for improving levees of the affected islands or tracts, (c) the improvements funded, (d) State funds awarded, (e) local or federal matching funds, and (f) any variation from the draft recommendations of the draft Delta Plan amendment; and
- Emergency preparedness activities.

3) Ability to Pay

Current law (Water Code § 12986(a)(3)) requires DWR to consider a local levee agency's ability to pay when determining the state's cost share for levee maintenance under the Delta Levees Subventions Program (Subventions).

The proposed recommendation (Proposed RR R4) in the March 23, 2017 version of the DLIS, <http://deltacouncil.ca.gov/docs/delta-stewardship-council-march-23-2017-meeting-agenda-item-10-attachment-1-discussion-draft>, is comprised of three components, all pertaining to the Subventions Program:

1. Extending the maximum 75 percent state cost share, currently set to expire June 30, 2018, indefinitely;
2. Revising the current deductible of \$1,000 per mile to account for inflation; and
3. Simplifying the ability-to-pay methodology.

While the first two components ultimately require statutory revisions, the development and implementation of an ability-to-pay concept does not, since it is already prescribed in statute. As a result, formulation of a practical concept has been a significant topic of workgroup discussion as DWR representatives will discuss in more detail with the Council today. The workgroup anticipates that as concept development progresses in the coming months, public discussion on the topic will continue with the ultimate goal being application of an ability-to-pay methodology as soon as possible.

Ongoing Collaboration

In addition to the three near-term issues discussed above, the workgroup intends to pursue longer-range planning efforts through the MOU. These initiatives include co-management of the DLIS Decision-Support Tool and its associated information database, modernizing levee information management, collaborative policy development and implementation, and exploring sustainable financing strategies.

Fiscal Information

Not applicable.

Attachments

Not applicable.

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